



STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

RICK SNYDER
GOVERNOR

SHELLY EDGERTON
DIRECTOR

Docket No. 16-001782

In the Matter of:

Complaint No. 324496

JAC INVESTMENTS, LLC
Unregistered

Respondent.

FINAL ORDER

1. This matter came before the Department of Licensing and Regulatory Affairs under the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq.* (the "Act"), and associated administrative rules.
2. The Director of the Corporations, Securities & Commercial Licensing Bureau, who is the Administrator of the Act (the "Administrator"), received the Proposal for Decision (the "PFD"), and the Motion to Set Aside Default Judgment and Motion to Change Venue, dated July 7, 2016, and filed by Sam J. Sesi on behalf of Respondent, in accordance with MCL 451.2604 and the Administrative Procedures Act, 1969 PA 306; MCL 24.201 *et seq.*
3. The Administrator considered the Findings of Fact and Conclusions of Law in the PFD of Robert H. Mourning, Administrative Law Judge, dated June 24, 2016, and the Motion to Set Aside Default Judgment and Motion to Change Venue, which was reviewed as Exceptions to the PFD.
4. The PFD, which adopted the Findings of Fact and Conclusions of Law set forth in the Notice and Order to Cease and Desist issued by the Administrator in this matter on December 15, 2015, is incorporated by reference.
5. Respondent was found in violation of the Act and/or its associated administrative rules.

THEREFORE, IT IS ORDERED, that the following penalties authorized by section 604 of the Act, MCL 451.2604, are imposed:

- A. Respondent must pay a FINE in the amount of Twenty Thousand Dollars and 00/100 Cents (\$20,000.00). The fine is payable to the State of Michigan within sixty (60) days from the mailing date of this Final Order. Complaint No. 324496 must be clearly indicated on the cashier's check or money order, and the

payment sent to the Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau, Final Order Monitoring – Securities & Audit Division, P.O. Box 30018, Lansing, Michigan 48909.

B. No application for a permit, registration, licensure, relicensure, reinstatement or renewal submitted by Respondent under the Act will be considered or granted by the Department, until all final orders of the Department are fully complied with.

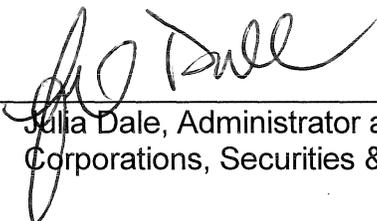
C. Respondent must continue to cease and desist from violating the Act, specifically MCL 451.2301, MCL 451.2402, and MCL 451.2501(b), according to the Notice and Order to Cease and Desist issued and entered in this matter on December 15, 2015.

D. Failure to comply with this Order may subject Respondent to additional administrative or criminal sanctions, fines, and/or penalties. Under MCL 451.2508, a person that willfully violates the Act, or an order issued under the Act, is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation, or both. An individual convicted of violating a rule or order under the Act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

This Final Order is effective immediately upon its mailing.

Given under my hand at Okemos, Michigan, this 18 day of July, 2016.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

By: 
Julia Dale, Administrator and
Corporations, Securities & Commercial Licensing Bureau Director

Date mailed: July 19, 2016

Proof of Compliance Should be Filed With:

Department of Licensing and Regulatory Affairs
Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring – Securities & Audit Division
P.O. Box 30018
Lansing, Michigan 48909
Telephone: (517) 241-9180
Fax: (517) 373-8488

This is the last and final page of the Final Order in the matter JAC Investments, LLC, Complaint No. 324496.

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM**

IN THE MATTER OF:	Docket No.:	16-001782
Corporations, Securities & Commercial Licensing Bureau, Petitioner	Case No.	324492 & 324496
v	Agency:	Corporations, Securities Commercial Licensing Bureau
Sam J. Sesí and JAC Investments, LLC, Respondent	Case Type:	Security Division
_____ /	Filing Type:	Sanction

**Issued and entered
this 24th day of June, 2016
by Robert H. Mourning
Administrative Law Judge**

PROPOSAL FOR DECISION

PROCEDURAL HISTORY

This matter is commenced with the issuance of a Notice and Order to Cease and Desist (Order) under Michigan Uniform Securities Act (Act), 2008 PA 551, as amended, MCL 451.2101, *et seq.* Pursuant to the Order, Sam Sesí (Respondent) filed a request for hearing.

On January 29, 2016, a Notice of Hearing was mailed to the parties, scheduling a contested case hearing for March 23, 2016, at 9:00 a.m., in the hearing rooms of the Michigan Administrative Hearing System, Ottawa Building, 611 West Ottawa, 2nd Floor, Lansing, Michigan.

On February 10, 2016, the Petitioner filed a request for an adjournment. On March 7, 2016, the Administrative Law Judge (ALJ) issued an Order Granting Adjournment, rescheduling the hearing date to April 6, 2016.

Due to a conflict in the schedule of the undersigned ALJ, the hearing scheduled for April 6, 2016, was adjourned and rescheduled for April 19, 2016.

On April 18, 2016, the Respondent filed a request for an adjournment. On April 18, 2016, the ALJ issued an Order Granting Adjournment, rescheduling the hearing date to June 2, 2016.

On May 31, 2016, the Respondent filed a second request for an adjournment. On May 31, 2016, the ALJ denied the Respondent's request for an adjournment.

On June 2, 2016, Assistant Attorney General Matthew K. Payok appeared on behalf of the Corporations, Securities & Commercial Licensing Bureau (Petitioner). Neither the Respondent nor an attorney on behalf of the Respondent appeared at the hearing.

The Petitioner moved for a default of the Respondent pursuant to Rule 134(1). Rule 134(1) provides:

If a party fails to attend or participate in a scheduled proceeding after a properly served notice, the administrative law judge may conduct the proceedings without participation of the absent party. The administrative law judge may issue a default order or other dispositive order which shall state the grounds for the order. [2015 MR 1, R 792.10134(1)].

The Petitioner was allowed to proceed in the Respondent's absence pursuant to Rule 134(1). The Petitioner's motion for default was granted. As a result of the default, the factual allegations contained in the Order were deemed proven.

The Petitioner offered a copy of the Notice and Order to Cease and Desist, which was admitted into evidence as Petitioner's Exhibit 1.

ISSUES AND APPLICABLE LAW

The issue is whether the Petitioner may sanction the Respondent under the Act pursuant to its Order dated December 15, 2015.

FINDINGS OF FACT

On December 15, 2015, the Acting Director of the Corporations, Securities & Commercial Licensing Bureau issued and entered a Notice and Order to Cease and Desist against several respondents, including Sam Sesi and JAC Investments, LLC.

CONCLUSIONS OF LAW

In this case, the Petitioner bears the burden of proving, by a preponderance of evidence, that that it can sanction the Respondent under the Act. A preponderance of evidence is evidence which is of a greater weight or more convincing than evidence offered in opposition to it. It is simply that evidence which outweighs the evidence offered to oppose it. *Martucci v Detroit Commissioner of Police*, 322 Mich 270 (1948).

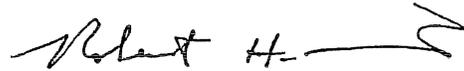
Having granted a default in this case, it is concluded that the Petitioner has established, by a preponderance of the evidence, that the Petitioner may sanction the Respondent under the Act pursuant to its Order dated December 15, 2015.

PROPOSED DECISION

It is proposed that the above findings of fact and conclusions of law be adopted by the Bureau.

EXCEPTIONS

The parties may file Exceptions to this Proposal for Decision within 30 days after it is issued and entered. An opposing party may file a response within 14 days after initial Exceptions are filed. All Exceptions and Responses to Exceptions must be filed with the Michigan Administrative Hearing System, Ottawa Building, 611 West Ottawa Street, 2nd Floor, Lansing, Michigan 48909, and served on all parties to the proceeding.



Robert H. Mourning
Administrative Law Judge

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU

In the Matters of:

Complaint Nos. 324492, 324493, 324496, 324498

SAM J. SESI
Unregistered
CRD#1883079

JESSICA ZAMARRON
Unregistered

JAC INVESTMENTS, LLC
Unregistered

And

SCORSESI MAKEUP, LLC
Unregistered

Respondents.

Issued and entered
This 15th day of December, 2015

NOTICE AND ORDER TO CEASE AND DESIST

Julia Dale, the Acting Director of the Corporations, Securities & Commercial Licensing Bureau (the "Administrator"), pursuant to her statutory authority and responsibility to administer and enforce the Michigan Uniform Securities Act (2002), 2008 PA 551, as amended, MCL 451.2101 *et seq.* ("Securities Act"), hereby orders Sam J. Sesi, Jessica Zamarron, JAC Investments, LLC, and Scorsesi Makeup, LLC ("Respondents") to cease and desist from selling unregistered securities; acting as unregistered agents of issuers; and, continuing to directly or indirectly make any untrue statements of material fact, or omit to state material facts necessary in order to make the statement made, in the light of the circumstances under which they were made, not

misleading, contrary to the Securities Act. Respondents are also notified of the opportunity to request a hearing in this matter.

I. BACKGROUND

A. The Respondents

1. Sam J. Sesi (CN 324492) is an individual who is not registered in any capacity under the Securities Act. Mr. Sesi has no registration history, but is associated with CRD#1883079.
2. Jessica Zamarron (CN 324493) is an individual who is not registered in any capacity under the Securities Act.
3. JAC Investments, LLC (CN 324496) is a Michigan limited liability company that is not registered in any capacity under the Securities Act. JAC Investments, LLC has no securities offerings registered under the Securities Act.
4. Scorsesi Makeup, LLC (CN 324498) is a Michigan limited liability company that is not registered in any capacity under the Securities Act. Scorsesi Makeup, LLC has no securities offerings registered under the Securities Act.

B. Findings of Fact

1. The Bureau conducted an investigation of the activities of Respondents.
2. The investigation developed evidence that Respondents sold JAC Investments, LLC securities and Scorsesi Makeup, LLC securities to an investor in Michigan. These securities were in the form of investment contracts, and were not registered pursuant to the Securities Act, nor was any exemption from registration claimed.
3. Sam J. Sesi and Jessica Zamarron represented JAC Investments, LLC and Scorsesi Makeup, LLC in effecting and attempting to effect the sales of the securities to the Michigan investor.
4. Sam Sesi and Jessica Zamarron represented to the investor that the investor would receive a disclosure document and a 1099 tax form if investments were made with Respondents. These documents were never provided to the investor.

Notice & Order to Cease and Desist
Sam J. Sesi (CN 324492)
Jessica Zamarron (CN 324493)
JAC Investments, LLC (CN 324496)
Scorsesi Makeup, LLC (CN 324498)

II. RELEVANT STATUTORY PROVISIONS

1. Section 102a(b) of the Securities Act defines “Agent” as:

“Agent” means an individual other than a broker-dealer who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer’s securities. The term does not include a partner, officer, or director of a broker-dealer or issuer, or an individual having similar status or performing similar functions, unless the individual otherwise comes within the term. The term does not include an individual excluded by rule or order under this act. The term does not include a person acting solely as a finder and registered as a broker-dealer under this act or acting as a finder in a transaction exempt under section 202(1)(r).

2. Section 102c(c) of the Securities Act defines “Security”, in part, as:

a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest in or based on the value of that put, call, straddle, option, or privilege on that security, certificate of deposit, or group or index of securities, put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, an investment in a viatical or life settlement agreement; or, in general, an interest or instrument commonly known as a “security”; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing...

(v) The term includes an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor. As used in this subparagraph, a “common enterprise” means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.

3. Section 301 of the Securities Act, MCL 451.2301, states:

A person shall not offer or sell a security in this state unless 1 or more of the following are met:

- (a) The security is a federal covered security.
- (b) The security, transaction, or offer is exempted from registration under sections 201 to 203.
- (c) The security is registered under this act.

4. Section 402(1) of the Securities Act, MCL 451.2402(1), states:

An individual shall not transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection (2).

5. Section 501 of the Securities Act, MCL 451.2501, states:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security or the organization or operation of a Michigan investment market under article 4A, to directly or indirectly do any of the following:...

- (b) Make an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading...

6. Section 503(1) of the Securities Act, MCL 451.2503(1), states:

In a civil action or administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the exemption, exception, preemption, or exclusions.

III. CONCLUSIONS OF LAW

1. Sam J. Sesí, Jessica Zamarron, JAC Investments, LLC, and Scorsesi Makeup, LLC each offered and sold unregistered, non-exempt securities to a Michigan investor, in violation of Section 301 of the Securities Act, MCL 451.2301.
2. Sam J. Sesí, on behalf of JAC Investments, LLC and Scorsesi Makeup, LLC, effected and attempted to effect transactions in securities of those

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Sam J. Sesí (CN 324492)
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JAC Investments, LLC (CN 324496)
Scorsesi Makeup, LLC (CN 324498)

entities without the benefit of registration or an applicable claimed exemption, in violation of Section 402(1) of the Securities Act, MCL 451.2402(1).

3. Jessica Zamarron, on behalf of JAC Investments, LLC and Scorsesi Makeup, LLC, effected and attempted to effect transactions in securities of those entities without the benefit of registration or an applicable claimed exemption, in violation of Section 402(1) of the Securities Act, MCL 451.2402(1).
4. Sam J. Sesi, Jessica Zamarron, JAC Investments, LLC, and Scorsesi Makeup, LLC each represented to a Michigan investor that the investor would receive a disclosure document and a form 1099 if the person invested funds through them; however, no disclosure document or form 1099 was ever provided to the investor. The statements that the documents would be provided were material, and untrue, in violation of Section 501(b) of the Securities Act, MCL 451.2501(b).

IV. ORDER

IT IS THEREFORE ORDERED, pursuant to section 604 of the Securities Act, MCL 451.2604, that:

- A. Respondents shall immediately CEASE AND DESIST from continuing to sell unregistered securities, acting as unregistered securities agents, and directly or indirectly making any untrue statement of a material fact or omit to state material facts necessary in order to make other statement made, in the light of the circumstances under which they were made, not misleading, all of which is contrary to the Securities Act.
- B. Pursuant to section 604(2) of the Securities Act, this Notice and Order to Cease and Desist is IMMEDIATELY EFFECTIVE.
- C. In the Final Order, the Administrator, pursuant to section 604(4) of the Securities Act, MCL 451.2604(4), intends to impose the following civil fines:

Sam J. Sesi:	\$30,000.00
Jessica Zamarron:	\$30,000.00
JAC Investments, LLC:	\$20,000.00
Scorsesi Makeup, LLC:	\$20,000.00

- D. Pursuant to section 508 of the Securities Act, MCL 451.2508, a person that willfully violates the Securities Act, or an order issued under the Securities Act, is

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guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than \$500,000.00 for each violation, or both. An individual convicted of violating a rule or order under this act may be fined, but shall not be imprisoned, if the individual did not have knowledge of the rule or order.

V. NOTICE OF OPPORTUNITY FOR HEARING

Section 604 of the Securities Act, MCL 451.2604, provides that Respondents have 30 days beginning with the first day after the date of service of this Notice and Order to Cease and Desist to submit a written request to the Administrator asking that this matter be scheduled for a hearing. If the Administrator receives a written request in a timely manner, the Administrator shall schedule a hearing within 15 days after receipt of the request. The written request for a hearing must be addressed to:

Corporations, Securities & Commercial Licensing Bureau
Regulatory Compliance Division
P.O. Box 30018
Lansing, MI 48909

VI. ORDER FINAL ABSENT HEARING REQUEST

A. Under section 604 of the Securities Act, MCL 451.2604, the Respondents' failure to submit a written request for a hearing to the Administrator within 30 days after the service date of this **NOTICE AND ORDER TO CEASE AND DESIST** shall result in this order becoming a **FINAL ORDER** by operation of law. The **FINAL ORDER** includes the imposition of the fines cited described in section IV.C., and the fine amounts set forth below will become due and payable to the Administrator within sixty (60) days after the date this order becomes final:

\$30,000.00 – Sam J. Sesí, under section 604 of the Securities Act, MCL 451.2604.

\$30,000.00 – Jessica Zamarron, under section 604 of the Securities Act, MCL 451.2604.

\$20,000.00 – JAC Investments, LLC, under section 604 of the Securities Act, MCL 451.2604.

\$20,000.00 – Scorsesi Makeup, LLC, under section 604 of the Securities Act, MCL 451.2604.

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JAC Investments, LLC (CN 324496)
Scorsesi Makeup, LLC (CN 324498)

- B. CIVIL FINE payments should be payable to the STATE OF MICHIGAN and contain identifying information (e.g., names and complaint numbers) and mailed to the following address:

Corporations, Securities & Commercial Licensing Bureau
Final Order Monitoring
P.O. Box 30018
Lansing, MI 48909

- C. Failure to comply with the terms of this Order within the time frames specified may result in additional administrative penalties, including the summary suspension or continued suspension of all registrations held by Respondents under the Securities Act, the denial of any registration renewal, and/or the denial of any future applications for registration, until full compliance is made. Respondents may voluntarily surrender or withdraw a registration under the Securities Act; however, the surrender or withdrawal will not negate the summary suspension or continued suspension of the relevant registrations or any additional administrative proceedings if a violation of this Order or the Securities Act occurred.
- D. Failure to pay the civil fines within six (6) months after this Order becomes final may result in the referral of the civil fines to the Michigan Department of Treasury for collection action against Respondents.

CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU



Julia Dale
Acting Director, Corporations, Securities &
Commercial Licensing

12/15/15
Date

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